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**TO: Economic Support Supervisors
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**FROM: Amy Mendel-Clemens
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BHCE/BWP OPERATIONS MEMO

No.: 03-42

Date: 07/11/2003

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: HIGH

**SUBJECT: NEW CHANGE REPORTING REQUIREMENTS FOR THE
FOOD STAMP PROGRAM**

CROSS REFERENCE: 2002 Farm Bill, Section 4109
7 CFR 273.12
FSH Appendices 21.06.00 and 25.13

EFFECTIVE DATE: July 26, 2003

PURPOSE

The purpose of this memo is to describe the new change reporting requirements for the Food Stamp (FS) Program.

BACKGROUND

The Department of Health and Family Services has established three goals to improve the administration of the Food Stamp Program in Wisconsin:

- Increase the FS participation rate to improve the health of low-income Wisconsin residents and bring more federal funding to Wisconsin;
- Increase FS benefit payment accuracy to reduce the error rate, eliminate state liability for sanctions, and earn performance bonuses from the federal government;
- Decrease workloads for local agencies by simplifying program administrative requirements and improving caseload and program management technology.

In Federal Fiscal Year 2002, approximately 50% of the FS error rate was attributed to incorrect FS benefit issuance due to client failure to report changes to the local agency. The 2002 Farm

Bill allows for a broad definition of FS households that can be subject to reduced change reporting requirements. In keeping with the Department's goals of increased participation, increased payment accuracy, and reduction of local agency workload, reduced change reporting requirements for FS households will be implemented on July 26, 2003.

CURRENT POLICY

Currently, during the certification period, FS households are required to report the following changes within 10 days:

- Any new source of income,
- Changes in rate of pay,
- Changes in employment status (PT/FT),
- Changes of more than \$100 in child support income,
- Changes of more than \$25 in any other unearned income,
- Household composition changes,
- Change in address and resulting change in shelter expenses,
- Changes in legal obligation to pay child support.

The number of changes and the complexity of these change reporting requirements has contributed to a significantly high error rate statewide. The intent of the new change reporting policy is to reduce the reporting requirements for FS participants, thus reducing "client failure to report" errors.

NEW POLICY

Effective July 26, 2003, FS households with **6 month certification periods** will only be required to report **if their total monthly gross household income exceeds 130% of the Federal Poverty Level**.

All FS households will be certified for 6 months except households where all food unit members are elderly, blind, or disabled (EBD) and have no reported earnings. These EBD households will continue to be certified for 12 months. Their reporting requirements have not changed.

NOTE ➤ Change reporting requirements remain unchanged for households certified for 12 months, with one difference. Changes in total monthly unearned income (other than child support) of more than **\$50** are required to be reported. Previously this threshold was \$25.

EBD households **with earnings** are currently also certified for 12 months. These households will now be certified **for 6 months at the time of the next review if earnings continue to be reported**.

A mass mailing will be sent the week of July 14th to recipients who currently have 6 month certification periods explaining these new requirements. A copy of that mailer is attached to this memo.

NOTE ➤ Change reporting requirements remain unchanged for recipients of other benefits such as Medicaid, BadgerCare, W-2 and Child Care. Food Stamp recipients must still report changes required by these other programs.

CATEGORICALLY ELIGIBLE FS HOUSEHOLDS

Households that are determined to be categorically eligible for FS are not required to pass a gross income test and may already have reported and verified income that exceeds 130% FPL. These households have no further reporting requirements for FS during the remainder of the FS certification period.

EXAMPLE: Pam receives FS and Child Care (CC) Assistance for herself and her 2 children. Since she is eligible for CC, her household is categorically eligible for FS. At her review, Pam reports and verifies her total monthly gross income which exceeds 130% FPL. Pam also has high shelter expenses, so she does receive a FS allotment for herself and her children. Pam has no change reporting requirements during her FS certification period based on the new policy but Pam is still required to report changes for CC and any changes that she does report during the certification period must be acted on promptly by the FS worker.

WORKER ACTION AT INTAKE, REVIEW, AND REPORTED CHANGE

At the time of FS application and review, FS eligibility workers must advise recipients of their change reporting requirements. It is anticipated that fewer changes will be reported during the certification period by recipients. Therefore it is critical that FS eligibility and benefit level be determined correctly at the time of initial intake and at each review.

Many FS recipients also receive other programs of assistance, such as Medicaid (MA), Child Care (CC) and W-2. Due to the other programs' reporting requirements it is also anticipated that many FS recipients will continue to report changes during the certification period. Eligibility workers may also become aware of changes through Data Exchange or other third party sources. To insure payment accuracy, eligibility workers **must** continue to act promptly on all changes reported by the household and those reported through Data Exchange or any other third party source.

EXAMPLE: Donna receives a data exchange match for a FS recipient indicating that the individual has started employment (DXNH). Donna is required to enter the employer information from the match into CARES and request documentation from the FS recipient to verify prospective gross income from the new job. If the verification is not provided timely, Donna must close the FS case. If verification is provided timely, FS benefits must be redetermined to confirm the adjusted benefit amount.

If a change is reported that causes a decrease in the FS benefit, act on the change as instructed in FSH Appendix 21.06.00. Since there is no longer a requirement to report such changes (unless total gross monthly income exceeds 130% FPL), no FS overpayment will occur.

EXAMPLE: Dave reports on August 10th that he started a new job on July 5th. His FS eligibility worker gathers information about the new job and requests verification to determine a new prospective income estimate. In addition, Dave is no longer receiving Unemployment Insurance and his total gross monthly household income does not exceed 130% FPL. Although Dave must provide adequate verification of his new employment and income in order to continue receiving FS benefits, Dave was not required to report the change for FS, so no overpayment of benefits occurred.

If a change is reported that causes an increase in the FS benefit, act on the change as instructed in FSH Appendix 21.06.00. If the change is reported and timely verification is received, after adverse action – supplement the FS benefit effective the 1st of the following month.

EXAMPLE: Jane is a FS recipient and reports to her FS worker that her rent has increased from \$500 per month to \$550 per month. The worker enters the new rent amount on CARES screen AFSC with a ? and runs SFEX on Jane's case to request verification of the increased amount from Jane. Jane submits the notice she received from her landlord verifying the new rent amount by the verification due date. Jane's worker enters a verification code of "LL" on screen AFSC indicating that the new rent amount has been verified using the statement from the landlord. The worker then runs SFEX to determine Jane's increased FS allotment. If this action is taken after adverse action in the month, a FS supplement would be issued to Jane since she would be eligible for the increased allotment effective the 1st of the following month.

CARES CHANGES

Two changes will be made to CARES to accommodate these new policies.

1. Threshold amounts have been established to determine at what point the recipient will need to report a change in income. The monthly gross income limit for the Food Unit size will be used to determine this amount. Beginning July 26th, text will be added to recipient notices produced by CARES advising customers of this limit and their need to report the change that causes their gross income to exceed the limit amount. The amounts below will appear in their notices.

2003 Monthly Income Limits:

Household size	Income limit	Household size	Income limit
1	\$ 960	6	\$2629
2	\$1294	7	\$2962
3	\$1628	8	\$3296
4	\$1961	9	\$3630
5	\$2295	10	\$3964

2. EBD households with earnings will be certified for 6 months beginning with applications and reviews completed on July 26.

IMPACT ON OTHER PROGRAMS

Medicaid, Child Care and W-2 programs have not changed their established reporting requirements. Customers must continue to report changes as outlined by these programs. FS recipients who also receive benefits from these programs must continue to report changes. It is the responsibility of the eligibility worker to explain the differences between the programs and ensure the customer understands the requirements. Workers **must** continue to act promptly on all changes reported by the household and those reported through Data Exchange or any other third party source.

ADDITIONAL TRAINING TOOLS

A Power Point presentation and Q and A document is available to assist workers to better understand these changes. These tools can be found on the DWS training web site <http://www.dwd.state.wi.us/destrain/trainsec/default.htm>

FORMS

FS workers are required to provide the appropriate FS change report form to FS recipients at intake and review. FS recipients may continue to report changes using the change report form, or by contacting the FS agency by phone, fax, email, or in person. The Food Stamp Program Income Change Report Form, HCF 16066, has been created and includes the 130% FPL change reporting threshold for FS households certified for 6 months. The current HCF16006 Food Stamp Program Change Report has been redesigned for use by households certified for more than 6 months, where all members are elderly, blind or disabled.

HCF10137 Medicaid Change Report form has also been developed for use by MA only households to report changes.

The FS Application forms HCF16019A and HCF16019B are being revised. Continue to use the forms you currently have on hand until the new ones are available. To assist applicants in understanding their reporting requirements, cross out the section that refers to Change Reporting Requirements in the "Important Information" section and give the applicant the appropriate change report form at application and review.

The updated version of these forms can be found on the DHFS web site. At this time, please download and print copies to give to customers. The printed forms will be available by the end of July. Use the DMT 25 to order a supply for your agency.

ATTACHMENTS

Attached is a copy of the Reduced Reporting Requirement flier that was sent to FS households subject to the new policy. A copy of this flier may be given to FS applicants who do not receive it in the mail.

LINKS

Reduced Change Reporting Requirement for the Food Stamp Program power point and the Q and A document – <http://www.dwd.state.wi.us/destrain/trainsec/default.htm>

The forms listed here can be found on the following site: <http://www.dhfs.state.wi.us/em/>

- HCF16066 Food Stamp Program Income Change Report Form.
- HCF16006 Food Stamp Program Change Report Form.
- HCF10137 Medicaid Change Report Form.
- HCF16019A Food Stamp Application Form.
- HCF16019B Food Stamp Application Form Part 1 and 2.

Wisconsin Food Stamp Program Fact Sheet -
http://www.dhfs.state.wi.us/foodstamps/forms_pubs.htm#Fact_Sheets

CONTACTS

BHCE CARES Information & Problem Resolution Center

Email: carpolcc@dhfs.state.wi.us
Telephone: (608) 261-6317 (Option #1)
Fax: (608) 266-8358

Note: Email contacts are preferred. Thank you.

DHFS/DHCF/BHCE/JE



ATTENTION WISCONSIN FOOD STAMP RECIPIENTS

IMPORTANT CHANGE IN REPORTING REQUIREMENTS

BEGINNING JULY 26, 2003

This is to tell you about a change in the type of information you must report to your worker for food stamp benefits.

Beginning July 26, 2003, the only change you **must** report to your worker for food stamp benefits is:

- When your total monthly gross household income exceeds 130% of the federal poverty level for your household size.

Total gross income means all income, earned and unearned, received by everyone in your household before deductions such as taxes and withholdings. Use the chart on this page to determine your income reporting limit for 2003.

You may continue to report other changes such as persons moving in or out of your household, or decreases in your monthly income, however you are not required to do so for the Wisconsin Food Stamp Program. The amount of food stamp benefits you receive can vary depending on information that your food stamp worker receives.

If your total monthly gross household income exceeds your income reporting limit, report the change to your food stamp worker by the 10th of the next month.

For example: You start a new job on August 1st that pays more than what you are making now. If your total monthly gross household income in August is more than your income reporting limit you must report the change to your food stamp worker by September 10.

If anyone in your household also receives Medical Assistance, Child Care or W-2 you must still report the changes those programs ask for.

2003 MONTHLY INCOME REPORTING LIMIT

Household size:	Income limit:	Household size:	Income limit:
1	\$ 960	6	\$2629
2	\$1294	7	\$2962
3	\$1628	8	\$3296
4	\$1961	9	\$3630
5	\$2295	10	\$3964

Questions? Contact your local county/tribal human services agency

¿Preguntas? Comuníquese con el departamento de servicios humanos o sociales del condado o tribu.

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